

B4Ukraine

BankTrack

Vienna, in June 2023

Dear Sir or Madame at B4Ukraine and BankTrack,

Thank you for the exchanges, including your recent letters, we had over the last weeks. We duly consider your views and arguments. As you know, Russia's unlawful war of aggression against Ukraine makes us angry and sad. This war in our region has a devastating impact on millions of lives. Our thoughts and support are with those who are bereaved, displaced, and otherwise tragically affected by the war.

RBI Group and its stakeholders are in an unprecedented situation, and we recognise the urgency for action which the war has created. Since the outbreak of the war in Ukraine, RBI has worked intensively to assess all options for the future of Raiffeisenbank in Russia. We have assessed these options in the interests of all of Raiffeisenbank's stakeholders, up to and including an **exit from Raiffeisenbank in Russia**.

We've clearly and repeatedly stated in the public that RBI Group will continue to progress potential transactions which would **result in the sale or spin-off of Raiffeisenbank Russia** and deconsolidation of Raiffeisenbank Russia from RBI Group, in full compliance with local and international laws and regulation and in consultation with the relevant competent authorities.

In the meantime, however, Raiffeisenbank needs to maintain some banking operations in Russia to meet the conditions of its banking license, and we have a duty of care to employees in all markets where RBI operates. In 2022, the lending volume in Russia amounted to EUR 8.99 bn, out of which merely 0,1% is subject to the law on moratoria. Thereof, EUR 70,000 were written off so far. Please note that we have never recognized Donetsk and Luhansk as republics.

The market conditions for businesses in Russia are highly complex. The local and international laws and regulations governing the sale of businesses in Russia are subject to

constant change. The actual ability to execute any process in an orderly manner is key. For legal impediments, you may wish to refer to independent 3rd party information¹.

Our plan to reduce business activity in Russia

In parallel to our exiting endeavours, we are **further reducing business activity in Russia** whilst we continue to progress such potential transactions.

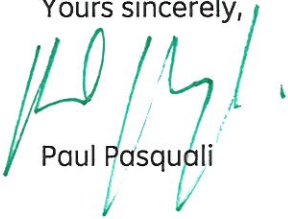
Immediately after the start of the war, RBI has reduced some business activity in Russia and minimised the RBI Group's cross-border exposure to Russia. Eg, the RBI Group and Raiffeisenbank Russia reduced Raiffeisenbank's loans to customers and ringfenced Raiffeisenbank's capital.

Following the RBI Group's decision to further reduce its business activity in Russia, Raiffeisenbank Russia will continue to reduce loans to customers and reduce the overall volume of foreign currency transactions. Specifically, Raiffeisenbank stopped opening accounts for new legal entity clients as well as limits opening new foreign currency accounts for the existing legal entity clients². The bank has received many applications for account opening and in the current tightening regulation, including foreign currency payment checks by the correspondent banks, we have decided to focus on working with existing volume of operations, ensuring foreign currency payments are in accordance with the current regulation in Russia and within the common banking practices.

These measures will lead to a reduction in the size of the RBI Group's payments business. Thus, the net **impact** of reducing business activity in Russia **will be a decline in income** generated by Raiffeisenbank Russia.

We hope the above elaborations contribute to gaining more detailed information concerning the state of our endeavours to exit Raiffeisenbank Russia.

Yours sincerely,



Paul Pasquali

¹ <https://www.linklaters.com/en/insights/blogs/foreigninvestmentlinks/2023/january/leaving-russia-the-price-of-exit-and-other-regulatory-hurdles>

² <https://www.reuters.com/article/ukraine-crisis-raiffeisen-euro/raiffeisen-russia-to-halt-euro-transfers-to-certain-jurisdictions-from-july-3-idUKL8N38D3MP>

Johann Strobl
Chief Executive Officer
Raiffeisen Bank International
Am Stadtpark 9
1010 Vienna
Austria
P.O. Box 50

BANKTRACK

June 12, 2023

Dear RBI Leadership Team,

Thank you for your willingness to meet with us and offer insight into the complex issues you are facing in your disengagement from Russia. As agreed, we are writing to follow up on our recent correspondence and address additional questions that could not be answered during our meeting on June 2nd.

Following the call in which you spoke very clearly about your decision to leave Russia, we strongly urge you to also unequivocally declare publicly that the bank is dedicated to leaving Russia. We also kindly ask you to respond in writing to the [open letter](#) signed by 30 civil society organisations including BankTrack and many other B4Ukraine members, if possible before 15th June.

In addition, we kindly request your response to the following questions:

1. In our call, RBI discussed the possibility of "dropping the keys" as a potential exit strategy from Russia. However, you noted that there were certain legal impediments that prevented you from doing this. We kindly request clarification on the nature of these impediments.
2. Despite claiming to have reduced service provision, RBI continues to generate substantial profits in Russia, profits which cannot be transferred out of the country and contribute to the Kremlin's war budget. Considering your initial willingness to consider the option of "dropping the keys" could RBI take steps during this interim period to minimise these undesirable profits, for example by cutting all new provision of finance, adjusting interest rates, or through other means?
3. How does Raiffeisen reconcile the data showing increased revenue volumes in Russia in 2022 compared to the previous year (a growth of \$665 million or [46%](#)) with the bank's claims of reducing its exposure in the country and actively working towards an exit? Additionally, considering that Raiffeisen paid 4.8 times more to the Russian budget in 2022 than in the entire pre-war year, amounting to 559 million euros (\$615 million), how does the bank explain these figures in relation to its stated goals?
4. RBI has almost 10,000 employees in Russia and considers itself to be a responsible employer. In light of the Russian legislation mandating all organisations to conduct military registration of the staff if at least one of the employees is eligible for military service, what is Raiffeisen's role in delivering the summons to its employees? How many employees were drafted? How many of

your employees were killed? How do you reconcile this with your obligations towards the safety of your employees?

5. Could you please provide information regarding the number of loans that Raiffeisen has written off, in relation to the scheme granting automatic debt forgiveness to Russian soldiers killed in battle?
6. Does Raiffeisen have a strategy in place for divesting from its holdings in Russian oil and gas companies, considering [recent data](#) indicating that it is the largest EU investor with over 700 million euros invested in these stocks?
7. How do you comment on the allegations that JSC [Raiffeisenbank](#) not only officially recognizes the so-called Donetsk and Luhansk "people's republics" but also provides favourable credit terms to the Russian occupiers in Ukraine, and in tune with Russian propaganda, calls the war a "special military operation"?

Other businesses have faced complex challenges and still committed to, and exited, Russia. RBI's first [statement](#) shortly after the full-scale invasion of Ukraine included a consideration of a "carefully managed exit from Raiffeisenbank in Russia." 15 months have passed since this statement and the full-scale invasion, and 9 years since the annexation of Crimea, yet RBI still remains in Russia. RBI has increased its profits in the country, even after over 80,000 reported war crimes, over 24,000 Ukrainian civilians killed and injured, and with the head of the Russian state indicted by the ICC for alleged war crimes. Considering these developments and the rising number of reported human rights abuses and war crimes, we urge RBI to fully, quickly, and morally exit Russia so as not to be even indirectly or remotely associated with these crimes.

We would also like to acknowledge and emphasise your closing remarks, where you mentioned that our points concerning Ukraine and moral responsibility clearly align with the correct perspective. As such, please note that we reserve the right to publicly advocate for your swift and clean exit from the Russian market.

We kindly ask for your response by June 19th, 2023.

Sincerely,

The B4Ukraine Coalition and BankTrack

Response RBI

Wed, May
3, 2:47 PM

Dear B4Ukraine Coalition,

Thank you for your letter to our CEO dated 24 April 2023, which I've been instructed to answer.

First, kindly let me recall what the Members of RBI Management Board and Supervisory Board had stated on several public occasions during the past year. RBI condemns the Russian aggression against Ukraine, and we stand by the Ukrainian people who have been so badly affected by this terrible war. I also want to reassure you that RBI will continue to support Ukraine and its people. The RBI Group has provided extensive humanitarian aid measures for Ukraine and continues to support its customers and employees while contributing to the financial stability of the country.

Since the outbreak of the war in Ukraine, RBI has worked intensively to assess all options for the future of the Raiffeisenbank in Russia up to and including an exit from Raiffeisenbank in Russia. At RBI's Annual General Meeting on 23 March 2023, our CEO Johann Strobl gave an update on RBI's strategic options for its Russian business. At the Annual General Meeting, Mr. Strobl emphasized that the Group will continue to **progress potential transactions which would result in the sale or spin-off of Raiffeisenbank Russia** and deconsolidation of Raiffeisenbank Russia from the Group, in full compliance with local and international laws and regulation and in consultation with the relevant competent authorities.

Further, please note that RBI has already reduced some business activity in Russia and minimized the Group's cross-border exposure to Russia. The Group and Raiffeisenbank Russia have reduced Raiffeisenbank Russia's loans to customers and will continue to do so.

We're open to discussing the topics you addressed in your letter in person. In order to do so, however, please be more transparent and disclose the names and identities of B4Ukraine representatives who'd attend such exchange.

Yours sincerely,

Paul Pasquali

Johann Strobl
Chief Executive Officer
Raiffeisen Bank International
Am Stadtpark 9
1010 Vienna
Austria
P.O. Box 50

April 24, 2023

Dear Mr. Strobl,

We write to follow up on our previous correspondence with Raiffeisen Bank International (RBI) dated November 14th, 2022, regarding potential inconsistencies between RBI's obligations, as articulated in the UNGPs, and the company's ongoing business operations and relationships in Russia that may contribute to, or be linked with, human rights harms. In your answer to the Business and Human Rights Resource Centre, RBI confirms that its business operations are in compliance with the existing legal and regulatory framework and notes that the RBI's subsidiary bank in the Russian Federation operates as a separate legal entity and therefore must act according to all applicable Russian laws.

In our first letter, we noted that RBI continued to conduct business in Russia even after legislation was passed obliging companies to help in the mobilisation efforts, due to which an RBI employee died on the battleground in Ukraine. We also observed that RBI recorded significant profits from its business in Russia - €1.4 billion, four times more than RBI earned in the same period last year. These profits mean that RBI is paying significant taxes to the Russian state, and therefore indirectly funding the war against Ukraine. In 2022, RBI's Russian subsidiary generated profits of €2.2bn — 60 per cent of the earnings for the entire Raiffeisen group.¹

Our letter also expressed concern regarding RBI's continuing relationship with state-owned and sanctioned Sberbank, which is serving as custodian for its depositary receipts. Recent news reports claim that RBI is seeking to exchange \$400 million worth of profits with some of Sberbank's funds frozen in Europe.² The deal would involve Sberbank receiving roubles from RBI's Russian subsidiary, which would otherwise be barred from exiting the country because of regulations imposed by the Russian government, and RBI would in turn take over a "sanctioned legacy cash pile held by Sberbank's European arm."³ The deal essentially means that the Kremlin-owned, sanctioned Sberbank would receive some of its frozen European money back, again indirectly supporting the war against Ukraine.

It was also reported that RBI entered discussions with two "viable" buyers and would work intensively in the coming weeks to assess whether a deal could be put together.⁴

¹ Sam Jones, "Raiffeisen in talks over sale of Russian banking arm," The Financial Times, March 30, 2023, <https://www.ft.com/content/22acf30f-4ff5-4997-8f26-be582662194a> (accessed April 18, 2023).

² Sam Jones and Max Seddon, "Raiffeisen seeks to swap €400mn with Sberbank in 'financial prisoner exchange,'" The Financial Times, March 15, 2023, <https://www.ft.com/content/2682965b-34b2-421a-8011-389e2972bacb> (accessed April 12, 2023).

³ Ibid.

⁴ Sam Jones (n 1).

We are writing now to clarify whether RBI intends to proceed with the aforementioned deal with Sberbank; whether the bank is willing to disclose who are the two potential bidders for its Russian business; and what is the timeline of RBI's intended sale of its Russian subsidiary.

We were also concerned to see that RBI has been placed on the Ukrainian National Agency for Prevention of Corruption (NACP) list of international sponsors of the war.⁵

The NACP notes the following reasons why they consider RBI to be a sponsor of war:

"Fictitious companies in Cyprus, which are within the sphere of influence of Russian oligarchs close to the Kremlin, Arkady and Boris Rotenberg, have long been serviced by Austrian banking group Raiffeisen Bank International. The Russian subsidiary of Raiffeisen Bank International does not just continue to operate in Russia and sponsor terrorism, it also offers credit holidays to Russians who are fighting in Ukraine. This is evidenced by the information on the bank's website. In addition, on its website, the Russian Raiffeisenbank recognizes the terrorist organizations LNR and DNR and calls the war in Ukraine a "special operation". In 2022, the bank paid 4.8 times more to the Russian budget than in the entire pre-war year. The Russian division of Raiffeisen Bank paid €559 million to the budget of the aggressor country. Thus, Raiffeisen Bank continues to sponsor the military aggression of Russia, a state which the European Parliament recognised to be a sponsor of terrorism."⁶

Likewise, Johann Strobl, the Chief Executive Officer of Raiffeisen Bank International, Andreas Gschwenter, the Chief Operating Officer/Chief Information Officer of Raiffeisen Bank International, Hannes Moesenbacher, the Chief Risk Officer of Raiffeisen Bank International, Łukasz Januszewski, the Member of the Management Board (Markets & Investment Banking) of Raiffeisen Bank International, Peter Lennkh, the Member of the Management Board (Corporate Banking) of Raiffeisen Bank International, Andrii Stepanenko, the Member of the Management Board (Retail Banking) of Raiffeisen Bank International, and Sergey Monin, the Chairman of the Board of JSC Raiffeisenbank (Russia) are personally listed as individual sponsors of war.⁷

We are reaching out to RBI again, to formally notify the company of the potential legal accountability it may face in the future, due to its continued actions in Russia. Companies remaining in Russia are open to significant legal risks, including potential civil and criminal liability under comprehensive sanctions regimes and recent international jurisprudence holding corporations and their officers

⁵ NACP, "Raiffeisen Bank International – International Sponsor of War," <https://sanctions.nazk.gov.ua/en/boycott/21/> (accessed April 12, 2023).

⁶ Ibid.

⁷ NACP, "International Sponsors of War – Individuals" <https://sanctions.nazk.gov.ua/en/boycott/> (accessed April 12, 2023).

responsible for human rights abuses abroad.⁸ By remaining in Russia, companies may not only be exposed to these risks but may also become directly complicit in war crimes.⁹

In consideration of the above points and B4Ukraine's [Declaration](#), we request an urgent dialogue with RBI's relevant senior management and staff to discuss the company's ongoing activities and relationships in Russia, associated risks to the people of Ukraine and the company, and potential steps to prevent/mitigate these risks. Please contact B4Ukraine at contact@b4ukraine.org to schedule a call by 5:00pm CET, May 8th, 2023.

Sincerely,

The B4Ukraine Coalition

⁸ International companies remaining in Russia are now at a greater risk of violating sanctions regimes as implementation of the legislation will likely involve transacting with sanctioned individuals or entities. Furthermore, new domestic civil and criminal cases against companies involved in violations of international law demonstrate the risk of significant liability for facilitating state-sponsored human rights abuses abroad (e.g., Lafarge case, Lundin case, Castel Group indictment, Nevsun holding, and Dassault Aviation, Thales, and MBDA France criminal complaint.) [Victoria Riello](#) and [Larissa Furtwengler](#), "Corporate Criminal Liability for International Crimes: France and Sweden Are Poised To Take Historic Steps Forward," *Just Security*, September 6, 2021, <https://www.justsecurity.org/78097/corporate-criminal-liability-for-human-rights-violations-france-and-sweden-are-poised-to-take-historic-steps-forward/> (accessed November 14, 2022); The Sentry, "Breaking: France Opens War Crimes Inquiry Focused on Iconic Food and Beverage Conglomerate," July 1, 2022, <https://thesentry.org/2022/07/01/7216/breaking-france-opens-war-crimes-inquiry-focused-iconic-food-beverage-conglomerate/> (accessed November 14, 2022); *Rfi*, "French technology firm charged over Libya cyber-spying," July 2, 2022, <https://www.rfi.fr/en/business-and-tech/20210701-french-tech-firm-charged-over-libya-cyber-spying> (accessed November 14, 2022); Preston Lim, "Canadian Supreme Court Allows Corporate Liability for International Law Violations," *Lawfare*, March 12, 2022, <https://www.lawfareblog.com/canadian-supreme-court-allows-corporate-liability-international-law-violations> (accessed November 14, 2022); Sherpa, "Aiding and abetting war crimes in Yemen: Criminal complaint submitted against French arms companies," June 2, 2022, <https://www.asso-sherpa.org/aiding-and-abetting-war-crimes-in-yemen-criminal-complaint-submitted-against-french-arms-companies> (accessed January 2, 2023).

⁹ Nataliya Popovych and Bennett Freeman, "Russia's Putin is forcing foreign-owned companies to participate in his conscription campaign. It's time to get out," *Fortune*, October 13, 2022, <https://fortune.com/2022/10/13/russia-putin-foreign-owned-companies-conscription-campaign-sanctions-ukraine-war-international-europe-popovych-freeman/> (accessed November 14, 2022).

Business & Human Rights Resource Centre
2-8 Scrutton Street, 2nd Floor, London, EC2A 4RT, UK

Vienna, 25th January 2023

Dear Ella Skybenko and dear Vladyslava Kaplina,

In respond to your email on 20th January 2023, the following answer can be provided:

It is of high importance to us to stress that Raiffeisen Bank International Group stands with the Ukrainian people affected by this terrible war.

RBI strictly follows all applicable Austrian and EU legal requirements, which recognize the territorial, political and economic integrity of Ukraine.

Raiffeisen Bank Ukraine always acts according to the laws of Ukraine.

RBI's subsidiary bank in the Russian Federation operates as a separate legal entity and must act according to all applicable Russian laws. RBI does not, directly nor through its subsidiaries, perform any business activities in any of the territories of Donetsk and Luhansk regions and the Crimean Peninsula. RBI is examining all strategic options for the future of Raiffeisenbank Russia, up to and including a carefully managed exit from the bank. Due to the complexity of the situation, including restrictive measures imposed by the Russian Federation, this process is continuing.

The war in Ukraine is having a devastating impact on the country's people and economy. Since the outbreak of war, the RBI Group has provided extensive humanitarian aid measures for Ukraine and continues to support its customers and employees while contributing to the financial stability of the country.

Sincerely,

Johann Strobl, CEO

Raiffeisen Bank International

Johann Strobl
Chief Executive Officer
Raiffeisen Bank International
Am Stadtpark 9
1010 Vienna
Austria
P.O. Box 50

14th November 2022

Raiffeisen Bank Business Operations in Russia

Dear Mr. Strobl and Raiffeisen Bank Leadership Team,

We write to you as [B4Ukraine](#), a coalition of Ukrainian and international civil society organisations working to curtail the financial resources enabling the Russian invasion of Ukraine. In the spirit of respect for the fundamental rights of all people and the rules-based international order, the coalition expects companies to demonstrate public support for the people, democracy, and territorial integrity of Ukraine; opposition to Russia's war of aggression; and alignment with the UN Guiding Principles on Business and Human Rights (UNGPs).

We request an urgent dialogue regarding potential inconsistencies between Raiffeisen Bank International's (RBI) stated policies on human rights and the company's ongoing business operations and relationships in Russia that may contribute to, or be linked with, human rights harms.

We recognize that RBI is a signatory of the UN Global Compact (UNGC) and thereby "commits to consistent compliance with the UNGC principles of responsible business" – including ensuring that RBI is not complicit in human rights abuses – and "expects the associated attitude of global responsibility from all employees and managers as well as from partners and suppliers."¹ Principle 13 of the UNGC "requires that business enterprises...seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts."²

We also acknowledge that RBI pledges to comply with international standards in relation to human rights as stated in the Bank's [Code of Conduct](#):

We respect and support the protection of human rights stipulated in the European Convention on Human Rights as well as the Universal Declaration of Human Rights. We aim to engage into business, which is in line with these principles. We strive to neither directly nor indirectly finance any transactions, projects or parties, nor cooperate with any business partner (including customers,

¹ Raiffeisen Bank International, "UN Global Compact," <https://www.rbinternational.com/en/who-we-are/governance-and-compliance/un-global-compact.html> (accessed November 11, 2022).

² UN Guiding Principles on Businesses and Human Rights, https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf (accessed November 7, 2022)

service providers and suppliers) that do not adhere to these standards or are suspected of human rights violations. We seek not to be involved in business with products that are intended to be used for abolition of demonstrations, political unrest or other violations of human rights. This applies in particular to countries where political unrest or military conflicts or other violations of human rights are ongoing or expected.³

In addition, the Code states that RBI respects the laws, regulations, and rules of the countries where it does business and complies with international standards in relation to human rights, freedom of association, equal employment opportunities as well as prohibition of forced, compulsory, and child labour. However, with respect to Russia's unprovoked and unjustified war⁴ in Ukraine, it appears RBI will be challenged to meet its obligations to both respect human rights and Russian law.

It has been eight months since Russia invaded Ukraine and the devastating impacts continue to shock the global conscience and shake the global economy. Russia is violating international humanitarian law (IHL), including by committing war crimes and crimes against humanity, through attacks on civilians and civilian infrastructure (e.g., mass executions, sexual violence, torture, and forcible transfer of civilians). More than 15,000 Ukrainians have been killed or injured and millions more have been forced to flee their homes, creating one of the largest humanitarian and refugee crises of modern times.

On September 21, President Vladimir Putin escalated the war by announcing a "partial mobilisation" of the Russian population. The accompanying legislation ([Article 9 of Federal Law No. 31-FZ](#)) mandates all organisations, including the 1,500 international companies that are currently operating on a full or limited scale in Russia, to conduct military registration of the staff if at least one of the employees is eligible for military service.⁵ They must also assist with delivering the military summons to their employees, ensure the delivery of equipment to assembly points or military units, and provide information, buildings, communications, land plots, transport, and other material means of support to the war effort.

This legislation entails new and significant legal risks for companies remaining in Russia, including potential civil and criminal liability under comprehensive sanctions regimes and recent international

³ Raiffeisen Bank International, "Code of Conduct," https://www.rbinternational.com/de/ueber-uns/governance-und-compliance/code-of-conduct/jcr_content/root/responsivegrid/contentcontainer_cop/contentbox/downloadlist.download.html/0/English.pdf (accessed November 11, 2022).

⁴ The UN General Assembly condemned Russia's "aggression against Ukraine" and demanded that Moscow "unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognized borders."

⁵ Federal Law No. 31-FZ of February 26, 1997 "On mobilisation training and mobilisation in the Russian Federation" (as amended), <https://base.garant.ru/136945/> (accessed November 7, 2022).

jurisprudence holding corporations and their officers responsible for human rights abuses abroad.⁶ Companies may be exposed to financially material risks through operational restrictions, such as limitations of future government contracts.⁷

In response to this war, many companies have left Russia. According to the Kyiv School of Economics Institute's #LeaveRussia [company tracker](#), "RBI and its subsidiary banks continue to operate in compliance with local and international sanction laws," even in light of President Putin's partial mobilisation order, declaration of martial law in four illegally occupied Ukrainian regions, and new counterterrorism law – all of which potentially obligate multinational companies with operations in Russia to assist with the conscription of eligible staff and provide material support to the Russian military.

It has become clear that RBI cannot avoid involvement in conscription, even by attempting to exempt employees. For example, we understand from media reports that a Raiffeisen Bank employee eligible for exemption from mobilisation was, nevertheless, conscripted and soon died on the battlefield in Ukraine.⁸ Not only do we express our concern about the tragic loss of life, but also about the damage to Raiffeisen's reputation and the fact that both could have been avoided if the company opted to leave Russia in the past eight months.

In March, you stated that RBI was "assessing all strategic options for the future of Raiffeisenbank Russia, up to and including a carefully managed exit from Raiffeisenbank in Russia."⁹ Yet, eight

⁶ International companies remaining in Russia are now at a greater risk of violating sanctions regimes as implementation of the legislation will likely involve transacting with sanctioned individuals or entities. Furthermore, new domestic civil and criminal cases against companies involved in violations of international law demonstrate the risk of significant liability for facilitating state-sponsored human rights abuses abroad (e.g., Lafarge case, Lundin case, Castel Group indictment, Nevsun holding, and Dassault Aviation, Thales, and MBDA France criminal complaint.) Victoria Riello and Larissa Furtwengler, "Corporate Criminal Liability for International Crimes: France and Sweden Are Poised To Take Historic Steps Forward," *Just Security*, September 6, 2021, <https://www.justsecurity.org/78097/corporate-criminal-liability-for-human-rights-violations-france-and-sweden-are-poised-to-take-historic-steps-forward/> (accessed November 7, 2022); The Sentry, "Breaking: France Opens War Crimes Inquiry Focused on Iconic Food and Beverage Conglomerate," July 1, 2022, <https://thesentry.org/2022/07/01/7216/breaking-france-opens-war-crimes-inquiry-focused-iconic-food-beverage-conglomerate/> (accessed November 7, 2022); *Rfi*, "French technology firm charged over Libya cyber-spying," July 2, 2022, <https://www.rfi.fr/en/business-and-tech/20210701-french-tech-firm-charged-over-libya-cyber-spying> (accessed November 7, 2022); Preston Lim, "Canadian Supreme Court Allows Corporate Liability for International Law Violations," *Lawfare*, March 12, 2022, <https://www.lawfareblog.com/canadian-supreme-court-allows-corporate-liability-international-law-violations> (accessed November 7, 2022); Sherpa, "Aiding and abetting war crimes in Yemen: Criminal complaint submitted against French arms companies," June 2, 2022, <https://www.asso-sherpa.org/aiding-and-abetting-war-crimes-in-yemen-criminal-complaint-submitted-against-french-arms-companies> (accessed November 7, 2022).

⁷ Venable LLP, "Do You Contract with State Governments? If So, Beware of Emerging State Sanctions' Obligations Related to Russia and Belarus," *JD Supra*, June 3, 2022, <https://www.jdsupra.com/legalnews/do-you-contract-with-state-governments-6537229/> (accessed November 7, 2022).

⁸ Filipp Lebedev and Alexander Marrow, "Enlisted Russian Raiffeisen Bank employee killed in Ukraine conflict - lawyer," *Reuters*, October 21, 2022, <https://www.reuters.com/world/europe/enlisted-russian-raiffeisen-bank-employee-killed-ukraine-conflict-lawyer-2022-10-21/> (accessed November 11, 2022).

⁹ Raiffeisen Bank International, "RBI is assessing all strategic options for the future of Raiffeisenbank Russia," March 17, 2022,

months into the war, there is still no sign of a firm decision from the company when it comes to leaving the country. At the same time, the company is recording huge profits from its business in Russia -- €1.4 billion, four times more than RBI earned in the same period last year.¹⁰ These profits mean that RBI is paying significant taxes to the Russian state, which is the main source of war funding. The company is also continuing its relationship with state-owned and sanctioned Sberbank, which is serving as custodian for its depositary receipts.¹¹

We seek to understand how RBI has conducted and continues to conduct heightened human rights due diligence, per its stated policy and the UNGPs concerning due diligence in conflict-affected areas, and how the findings of such a process has resulted in these continued business activities and relationships. As noted by the UNGPs:

...the more severe the abuse, the more quickly the enterprise will need to see change before it takes a decision on whether it should end the relationship. In any case, for as long as the abuse continues and the enterprise remains in the relationship, it should be able to demonstrate its own ongoing efforts to mitigate the impact and be prepared to accept any consequences – reputational, financial or legal – of the continuing connection.

With the above points in mind, we request an urgent dialogue with you or relevant senior corporate executives to discuss the company's ongoing activities and relationships in Russia, associated risks to the people of Ukraine, and the company. Please contact Eleanor Nichol at enichol@businessforukraine.info to schedule a call at your earliest convenience before 28th November 2022.

Sincerely,

Eleanor Nichol
Executive Director
B4Ukraine

https://www.rbinternational.com/en/investors/news/ir-releases/2022-03-17_RU_UA_strategic_options.html (accessed November 11, 2022).

¹⁰ Raiffeisen Bank International, "Third Quarter Report 2022," <https://www.rbinternational.com/en/investors/reports/quarterly-reports.html> (accessed November 11, 2022).

¹¹ Reuters, "Raiffeisen replaces JPMorgan as custodian for Sberbank depositary receipts," September 26, 2022, <https://www.reuters.com/business/finance/raiffeisen-replaces-jpmorgan-custodian-sberbank-depositary-recei-pts-2022-09-26/> (accessed November 11, 2022).